BAJAJ HOUSING FINANCE LIMITED

POLICY ON MATERIALITY OF & DEALING WITH RELATED PARTY TRANSACTIONS

19 March 2025

Version 3.0

<u>**POLICY ON MATERIALITY OF & DEALING WITH RELATED PARTY TRANSACTIONS:**</u>

Sign off Sheet		
APPROVED BY	Board of Directors	
RECOMMENDED BY	Shri. Atul Jain, Managing Director	
REVIEWED BY	Shri. Atul Patni, Company Secretary	
PREPARED BY	Shri. Abhijeet Deshmukh, Unit Manager	

DOCUMENT CONTROL

Policy Name	Policy on Materiality of & Dealing with Related Party Transactions
Original Issue Date	20 March 2017
Owner	Secretarial Department
Approver	Board of Directors
Last Approval Date	11 March 2022
Last Reviewed Date	15 March 2024

Background:

Pursuant to erstwhile "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" ('NHB Directions') the Board of Directors of Bajaj Housing Finance Ltd (the company) at its meeting held on 20 March 2017 had approved Policy on Materiality on Related Party Transactions and also on dealing with such Related Party Transactions.

Policy:

In supersession of the existing Policy, the Policy on Materiality of & dealing with Related Party Transactions, which is to be read together with Regulation 23 of the SEBI Listing Regulations, 2015 and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.

2. Remuneration and sitting fees paid by the listed entity or its subsidiary to its director. key managerial personnel or senior management. except who is part of promoter or promoter group. shall not require approval of the audit committee provided that the same is not material in terms of the provisions of regulation 23(1) of SEBI Listing Regulations 2015

3. Related Party Transactions (RPTs), **including subsequent material modifications thereof** of the company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the audit committee of the Board from time to time, subject to such exceptions as are provided therein.

   For the above purpose, **'material modifications'** as defined by the Audit Committee would refer to the following:

4. **Material modification will mean & include any modification to an existing RPT having variance of 20% of the existing limit or Rs. 1 crore whichever is higher, as sanctioned by the Audit Committee/ Board/ Shareholders, as the case may be.**

Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, **including material modifications thereof, except** in the following cases:

i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 & Rules thereunder or the SEBI Listing Regulations, as may be applicable;

ii. **Where the transactions are entered into by the company in its ordinary course of business and are on arms' length basis**;

iii. Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the company;

iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year **do not exceed Rs. 1,000 Cr or ten percent of the annual consolidated turnover** of the company as per the last audited financial statements of the company, **whichever is lower;**

4. Notwithstanding the above, **approval of the Board & shareholders would be necessary**, where the RPTs exceed the following threshold limits:

Sr. No.	Description	Threshold limits (Rs. in crore)
1	Sale, purchase or supply of any goods or materials or securities	1,000
2	Borrowing	
3	Selling or otherwise disposing off or buying of any property including by way of leave and license arrangement	
4	Availing or rendering of any services including lending	

The above policy is subject to review from time to time and at least once every year.

Place: Pune
Date: 19 March 2025

CHAIRMAN